ON SHANTUNG ISSUE

Japan Insists on Long Time Payments by Chinese tor Railway.

PEKIN OFFERS CASH

Tokio Presses New Loan and Is Suggesting Am-

ple Security. DELAY IS EMBARRASSING

Far East Committee Seeks Disposal of Problem of '21 Demands.'

Epecial Dispatch to THE NEW YORK HERALD New York Herald Bureau. | Washington, D. C., Dec. 17. | Japan and China have deadlocked NAVAL DISPUTE NOW Shantung controversy.

The latest obstacle is the manner in which the Chinese Government is to pay for the Japanese interest in the Shantung road.

sues. China desires to pay cash for the road on the basis of a price of 53,000,000 gold marks. The cash prosal is modified by the suggestion that it be paid within three years.

Japan proposes that the payments be extended over a period of twenty years, virtually constituting a new loan by Japan to China, which would be forced upon China and thereby continuing her interest in the Shantung railroad and in the province itself.

Japan Offers New Loan. In addition to this, the Japanese are suggesting that China accept a new loan to tide her over her present difficulties, and that ample security be given her for the unsecured loans made during the

Anfu period, which, with other obliga-tions incurred by China to Japan, ap-proximate \$180,000,000.

The representatives of the two Gov-ternments in their conversations to-day "exchanged views" on this question, the only hopeful sign in the situation being

delegations realize they are approaching the real difficulty of their situation in Manchuria. To-day represented the seventeenth session in the series of Sino-Japanese conversations.

In the meantime the Far Eastern committee is still adjourned pending some

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extremely restive under the situation and are preparing to make frank statements which call direct attention to what they regard as a position by Japan which is out of harmony with the Japanese declaration of acceptance in principle of the territorial integrity of China. Such a course will present a difficult problem both to Japan and the rest of the Powers.

Japanese diplomacy is veering around to a position where it can break down the feeling of hostility among the Chinese people so that her industrialists may sell more goods in that country, while the Powers are embarrassed by their desire to maintain good relations with Japan and at the same time rehabilitate China.

The time has passed when there is any

with Japan and at the same time rehabilitate China.

The time has passed when there is any likelihood of the Chinese delegates withdrawing from the conference. They will go through to the finish, regardless of whether they obtain as many things as they desire or not.

But this can be said upon excellent authority, that the Chinese will refuse to agree to any convention or agreements which leave the agreement growing out of the twenty-one demands in force, or any agreement which leaves Japan in control, economically or politically, of either Shantung or of the Liaotung Peninsula.

Peninsula.

They will file theis exceptions to these points if they are overruled, leaving the question unsettled and as threatening as before.

FRENCH SENATE PASSES NEW ARMY CLASS BILL

War Minister Calls Attention to Reparations.

Paris, Dec. 17.—The bill calling up class 1922 of the army came before the Senate to-day. On December 6 it was adopted by the Chamber of Deputies by a vote of 495 to 66. The War Minister, M. Barthou, in the course of the debate to-day, said that the ckes of 1920 could not be dismissed before the completion of its two years' full service.

Earlier dismissals had been considered when it was thought that the Syrian corps could be repartiated and the Moroccan corps reduced, but the reports of Gen. Gouraud and Gen. Lyautey showed that this would be impossible. If the class of 1920 were dismissed in March, 1922, and the class of 1922 incorporated in the following May, M. Barthou pointed out, there would be an important hole in the effective forces for one month.

"We must remember also," the Min.

one month.

"We must remember also," the Minister continued, "that we face in January and February important dates of reparation payment, for which we need all our military forces."

The bill was voted without amendment.

The Speaker announced he had received notice of an interpellation by Deputy De Kerguezeo on the programme presented at the Washington conference by the French delegation.

DEADLOCK CONTINUES FRENCH NAVAL DEMANDS LOGICAL, DECLARES BORAH

In Line With British and Japanese, He Asserts, and Seem to Show Four-Power Treaty Stimulates Warship Building.

Special Dispatch to THE NEW YORK HERALE, those Powers propose to be prepared to protect their mutual interests in the Pacific and Far East."

New York Hernid Bureau.

Washington, D. C., Dec. 17.

Senator Borah, one of the few opponents in the Senate to the four Power treaty, sees nothing "inconsistent" in the demand of France that she be allowed to build ten capital ships.

"The French position regarding the 5-5-3 naval ratio." said the Senator, "is not inconsistent with similar concessions Great Britain and Japan have wrung from the conference. A flood of light is thrown on the view which the four signatories to the four Power treaty take of it by the fact that after signing the treaty Japan still insists or keeping the Mutsu and Great Britain starts building two super-Hoods and France is demanding ten capital ships.

"Instead of the four Power treaty having the tendency to make the signatories less determined to have big navies and less determined to continue naval construction, it seems to me to blave had the opposite effect.

"Neither Great Britain, France nor Japan appears to be at all willing to place the least confidence in the four Power treaty. This action since its signing shows that it is clearly intended as a military and naval alliance and composite of the process of the particular situation. They were allies in the world war and in addition to that they are both members of what is known as the League of shalons, associated together in an effort to promote peace, as they contend that organization will do, and besides all that, they are now members of the "Pacific Alliance."

Continued from First Page.

tempting to bring about a modification

of the surprising request made by

quest made by Admiral de Bon at yes-

not attempt to conceal their chagrin over the French sea claims or to indi-

egates from Great Britain, Japan and,

have made their position entirely clear.

For reasons of naval expediency and

will not discuss the matter. The British delegates, who

compelled to seek authority for equal privileges with the French.

Italian Reluctance. IN PREMIERS' HANDS

In doing so they frankly admit they do not want to invest the staggering am involved in the construction of a fleet of capital ships to equal in num-ber and tonnage those demanded by France. The naval needs of Italy run having assumed the initiative in at-The Italian delegates appear to be

perfectly willing to accept the naval ratio allotted to them under the France for maximum naval privileges, Hughes plan, and they have not yet submitted proposals for privileges se official even remotely approaching those The British delegates, whose official spokesman communicated to the newspapers the scope of the French request, were silent. The only concrete development in the situation was in the nature of an official announcement that the sub-committee of fifteen on sea armaments had met this morning and adjourned without action until Monday. From unofficial sources the additional information was obtained that the greater part of the session was monopolized by M. Sarraut, the head of the French delegation, in protesting against disclosure of the research. Italian plans.

testing against disclosure of the re- French-Italian plans. only hopeful sign in the situation being that the Japanese agreed to reconsider their proposition. This reconsideration, the Chinese believe, will amount to a variation of the same offer.

The result is a tone of pessimism relative to the Shantung controversy, which is not brightened by the fact that both delegations realize they are approaching the real difference on this provided provided admissions made by some of the participants in the committee meeting to-day justify the statement that the protest made by M. Sarraut has provoked great concern among the delegates, who still hope for speedy and amicable conference conclusions.

Tendence is described by one of the delegates to be "as clear as sunshine" and is not favorable to the French claims. Yet no move will be made by the representatives of this Government to dissent openly from the French plans until its good offices are the representatives of the government to dissent openly from the French plans until its good offices are the representatives of the government to dissent openly from the provided pro The American attitude toward the

The statement of the French dele-delegation said to-night that "while gates is admitted privately to have it is ardently hoped that an agree-"greatly aggravated" the tension already existing in the relations between one for the French Government to British and French representatives. Solve, and does not call for any action on our part."

mittee is still adjourned pending some method of disposing of the problem presented by the Chinese delegates, who have thrust the agreements growing out of Japan's "Twenty-one demands" upon China into the conference is There are evidences that the delay in settling the Shantung conference is bound up with this move made by China which is proving extremely embarrassing to every one in the conference except the Chinese.

British and French representation in the and a hand indicates that any reply was made by Mr. The French delegates have made it perfectly clear that any move made by them will be predicated on the assumption of the sympathy of the cates that the gold on our part."

The French delegates have made it perfectly clear that any move made by them will be predicated on the assumption of the sympathy of the cates that any preply was made by Mr. Agreed that any move made by them will be predicated on the assumption of the sympathy of the sympathy of the relary Hughes eloquently essayed the role of peacemaker between the two delegations and pald a very high trib far less amicable than the American and other delegates in the conference ilization by France during the world war. Beyond this information no decwhich is proving extremely embarrassing to every one in the conference except the Chinese.

Japan has gone on record as saying
she will not consent to discussion of
these agreements by conference, atthough her delegates have intimated
they would be willing to explain why
Japan feels she cannot have them discussed.

delegations and paid a very high tribute to the services rendered to civilization by France during the world
war. Beyond this information no decthe french or British position in the controversy over
claims of France was permitted to become known.

The break delegates have not may true to the services rendered to civilization by France during the world
war. Beyond this information no decthe services rendered to civilization by France during the world
war. Beyond this information no decthe only two of the four French delegates remaining in the conference,
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war. Beyond this information no decthe only two of the four French delegates have not prevent and other delegates in the conference,
and other delegates have not prevent and other delegates in the conference,
and other delegates have not pr

ome known.

Mr. Balfour, Lord Lee and Sir Auckland Geddes, the British representa-The Liaotung Concessions.

This unwillingness to have the Chino-Japanese agreements discussed hark back to the Manchurian question because it was through this convention that Japan procured her ninety-nine year extension of her leaseholds in the Liaotung Peninsula. She has already stated she is unwilling to give up her leaseholds in Dairen and Port Arther. This Chinese delegates are becoming extremely restive under the situation. Expressing the greatest sympathy ton three weeks ago and turned over for the French necessities in the way to M. Sarraut with instructions to of armaments, American officials do project it into the armaments situaproject it into the armaments situa-tion as soon as the Anglo-American-Japanese conference

cate their disapproval of them. The
American view is indorsed by the del-In supporting this view British com-mentators assert their French colin fact, all of the delegates to the con- leagues resented their exclusion from ference, with the exception of those the conferences of Mr. Hughes with Mr. Balfour and Baron Kato regard-The Italian delegates, without re- ing ratios of capital sea units upon ferring directly to the French claims, which the entire naval program was

constructed. An impartial American view does with particular reference to Mediter-ranean conditions, the Italians will be lon in this respect. Mindful of the

Conference Doings

FFAIRS took a turn for the better with the development that the French request for ten capital ships was submitted for the purpose of debate and not with any idea of disturbing the general

me of the conference. M. Sarraut at a meeting of the naval subcommittee took up much against the manner in which the French request was made public and in presenting expert views on France's naval needs.

In the Far East discussion China and Japan reached another deadlock on the question of the manner of payments for the Klao-chow railroad, Japan's plan vir-tually meaning another long time loan to be taken by China.

conditions lying back of relations that ter stands for the present. have existed between the French and British over German matters for some time, American officials are inclined to estimate the French naval proposal

Resentment and Explanations.

French versions permit no question s to the depth of the feeling of rentment toward Great Britain, although various explanations which do though various explaints.

not entirely harmonize are advanced to account for it. One French opinion is that the people of that country are that the people of that country are greatly chagrined because of the refusal of the American Senate to ratify the treaty of alliance involving Great Picturesque Figure Will Leave Britain, France and the United States and designed to protect France from possible German aggression. Another is that the French people are grievusly disappointed because sentiment in this country is not favorable for

the cancellation of the war debts. American officials are doing everything in their power to discourage distion. Their greatest desire is to avoid aggravation of it through any meddling or display of partisanship one way or the other. They have counseled

plenary session on Monday. The Lord Riddell came to Washington to the American delegates would not venture has guess to-night as to the date of the next open session. They said "it denext open session. They said "it depends on developments during the pends on developments during the next forty-eight hours."

Lord Riddell came to Washington to the British delegation. The methods of Lord Riddell have strumental in putting many British been a genuine help to the correspond strumental in putting many British been a genuine help to the correspond otherwise help to the warm personal friend and publicity entry and have also been of tremendous otherwise have received such wide publication.

next forty-eight hours." Shantong Negotiations.

Negotiations between China and Japan over the Shantung controversy ran up against a snag this afternoon that the American and British delegates are doing their best to remove. The chief obstacle in the way of an agreement over Shantung continues to be the manner in which China is to repay the money which Japan has in-

vested in the railway.

The Chinese delegates say they wan to pay in cash the 55,000,000 gold marks demanded by Japan and the Japanese have refused to accept it. They demand that China pay the noney it owes to Japanese interests

There is no question of the sincerity of the Chinese offer to liquidate the Japanese claim on the railway. There is a great deal of question, however regarding the other debts, which are estimated to amount to about \$180,-900,600. An effort to get Japanese consent to accept pledges for this vast amount has not up to date succeeded. The negotiations will continue on

LORD RIDDELL TO SAIL FOR ENGLAND DEC. 22

Arms Conference.

Dispatch to THE NEW YORK HERALD New York Herald Bureau.) Washington, D. C., Dec. 17. Exit Lord George Riddell; enter Si Auckland Geddes, in the role of liaison officer between the British delegation and the newspaper correspondents who ussion of the Anglo-French situa- are reporting the Washington conference

Deterred from his original date for salling. December 13, at the request o what he terms "the powers that he," American officials to maintain a position of exact neutrality and this request is being generally respected.

Lord Riddell will leave America on December 22, sailing from New York on the Royal Mall liner Orbita, thereby quest is being generally respected.

It developed to-night that until France projected her request into consideration of naval affairs plans had cember 22, sailing from New York on the Royal Mall liner Orbita, thereby removing from the scenes of the conference one of its most picturesque figures.

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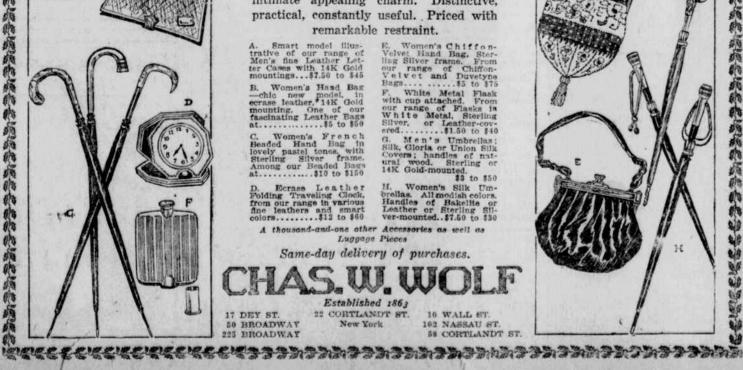
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been practically completed for a plenary session on Monday. The Lord Riddell came to Washington to American delegates would not venture help British and other newspaper men members of the British delegation. So skillfully, Lord Riddell has

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